

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK  
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UNITED STATES OF AMERICA : STIPULATION AND ORDER  
-v.- : S1. 07 Cr. 541 (RPP)  
DANIEL B. KARRON, :  
Defendant. :

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WHEREAS, a Grand Jury sitting in the Southern District of New York returned the First Superseding Indictment in the above-captioned matter on or about June 25, 2007, alleging that the defendant, who was the President and Chief Technical Officer of Computer Aided Surgery, Inc. ("CASI"), knowingly misapplied more than \$5,000 in Federal funds from an Advanced Technology Program grant awarded to CASI by the National Institute of Standards and Technology toward the payment of unauthorized expenses;

WHEREAS, the First Superseding Indictment contains a Forfeiture Allegation stating that, in the event the defendant is convicted of the offense charged in the First Superseding Indictment, the defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense, including, but not limited to, the following:

- a. At least \$390,000 in United States currency;

b. All right, title, and interest of the defendant in all that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, located at 300 East 33rd Street, Unit 4N, New York, NY 10016;

WHEREAS, the First Superseding Indictment also contains a Substitute Asset Provision stating that, in the event the above-described forfeitable property becomes unavailable, it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property;

WHEREAS, on or about June 28, 2007, a Notice of Pendency was filed against the defendant's condominium, located at 300 East 33rd Street, Unit 4N, New York, NY, in the County Clerk's office for the county of New York;

WHEREAS, upon the request of the defendant to retrieve and copy certain files purportedly material to his defense stored in the computers, data drives, and other electronic storage devices seized by federal law enforcement agents pursuant to a Seizure Warrant signed by Magistrate Judge Douglas F. Eaton, the Honorable Robert P. Patterson, on or about November 6, 2007, entered an Order directing the Government to pay the necessary fees for the duplication process up to \$30,000;

WHEREAS, in the November 6, 2007 Order, Judge Patterson

ordered the defendant to execute a note agreeing to reimburse the Government for the cost of the duplication process, with interest, up to \$30,000;

WHEREAS, in the same Order, Judge Patterson also ordered the defendant to take all necessary steps forthwith to effectuate a sale of his condominium located at 300 East 33rd Street, Unit 4N, New York, NY 10016, in order to obtain the necessary funds to reimburse the Government for the cost of the duplication process;

NOW THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between the United States of America, by and through Assistant United States Attorney Chi T. Steve Kwok, the defendant, and his counsel Ronald Rubinstein, Esq., that:

1. The defendant's condominium is located at 300 East 33rd Street, Unit 4N, New York, NY, more fully described as Parcel No. 09363055, Book 002611-9406, Page 002242-9463, in the County Clerk's office for the county of New York ("the Condominium");

2. The defendant represents that he has taken and will continue to take all necessary steps, including the public listing of the property, to effectuate the sale of the Condominium at arm's length for fair market value;

3. The defendant hereby acknowledges that he will pay the Government the cost of duplication up to \$30,000 that will be

charged to the Government by Digital First Discovery, the mutually agreed-upon computer forensic expert retained to conduct the retrieval and duplication of the computer data, plus accrued interest;

4. The defendant hereby further acknowledges that he will reimburse the Government for the cost of duplication out of the net proceeds from the sale of the Condominium;

5. The parties agree that the net proceeds from the sale of the Condominium will be remitted to the custody and control of the United States Marshals Service either by issuing a check made payable to the United States Marshals Service or by wire transfer, and held by the United States Marshals Service pending further order of the Court;

6. The net proceeds shall include all monies realized from the sale of the Condominium, except for the following:

- a. Reasonable and customary real estate commissions, if any;
- b. Any other real estate or property taxes which are due and owing;
- c. Insurance costs, if any;
- d. Escrow fees;
- e. Document recording fees not paid by the buyer;
- f. Title fees;

g. County or state transfer fees;

h. Reasonable and customary real estate attorney

fees, if any;

7. The defendant agrees that he will retain custody, control, and responsibility for the Condominium and maintain it appropriately until the sale has been completed;

8. The Government agrees to extinguish its Notice of Pendency as to the Condominium at the closing of the sale of the Condominium;


9. The parties hereby waive all rights to appeal or to otherwise challenge or contest the validity of this Stipulation and Order;

10. The signature pages of this Stipulation and Order may be executed in one or more counterparts, each of which will

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be deemed an original but all of which together will constitute one and the same instrument.

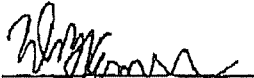
Agreed and consented to:  
MICHAEL J. GARCIA  
United States Attorney for the  
Southern District of New York  
One St. Andrew's Plaza  
New York, NY 10007  
(212) 637-2415



Chi T. Steve Kwok  
Assistant United States Attorney

11/26/07

Date



Daniel B. Karron  
Defendant

11/26/2007

Date



Ronald Rubinstein, Esq.  
Attorney for the defendant

11-26-07

Date

SO ORDERED:



THE HONORABLE ROBERT P. PATTERSON  
UNITED STATES DISTRICT JUDGE

11/26/2007

Date

RUBINSTEIN & COROZZO, LLP

COUNSELORS AT LAW

RONALD RUBINSTEIN  
JOSEPH R. COROZZO

DENNIS GIACOMO VILELLA

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CHAMBER'S OF  
JUDGE ROBERT P. PATTERSON

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May 21, 2008

Via Facsimile (212 - 805 - 7917)

Honorable Robert P. Patterson  
United States District Judge  
500 Pearl St., Room 2550  
New York, NY 10007

**MEMO ENDORSED**

**RE: *United States v. Daniel Karron*, 07-cr-00541**

Dear Honorable Judge Patterson:

On July 25, 2007, counsel wrote requesting a *Monsanto* hearing in order to permit Daniel Karron to sell his apartment, 4 N, 300 East 33<sup>rd</sup> Street, New York, New York, 10016, so the proceeds could be used to pay for his legal defense.


On March 17, 2008, because Dr. Karron's apartment had not yet sold, defense counsel asked to be relieved in this matter. That application to be relieved as counsel was denied and on March 18, 2008, your Honor ordered Dr. Karron to sell his apartment by April 1, 2008 with the proceeds of the sale held by the U.S. Marshals subject to further order of this court.

Dr. Karron's contract to sell was executed and the closing date is May 28, 2008. At the May 19, 2008, status conference, counsel requested the Court modify its prior order to permit the Firm of Rubinstein & Corozzo, LLP, to receive at the closing a check in the amount of \$100,000 out of the proceeds of the sale with the balance, after closing costs, to be paid to the U.S. Marshal's service subject to further order of this court.

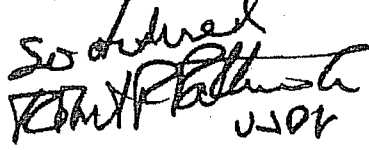
Counsel agreed to accept this amount for the pre-trial work already performed and all work up to trial on June 2, 2008. The defendant in open court consented to the Court granting this order. The government has no objection.

Please accept this letter as a request for an order granting the direct payment of \$100,000 to Rubinstein & Corozzo, LLP, for the firm's pre-trial services, from the proceeds of the sale of Dr. Karron's apartment, 4 N, 300 East 33<sup>rd</sup> Street, New York, New York, 10016.

Respectfully submitted,

  
Ronald Rubinstein

cc: AUSA Steven Kwok via facsimile (212) 637-2937

  
5/22/08